TOURISM: THE NORTHERN LURE

Economic Development and Tourism

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WHAT IS THE TOURISM INDUSTRY?

At one time or another almost everyone wants to travel for pleasure to see and experience the new and unique. The moment we start to plan our trip we enter the exciting world of one of North America's leading industries - tourism.

The first modern Northwest Territories tourists were lured north in the 1940's to angle in the deep waters of Great Slave Lake. Where once access to this remote area of Canada was formidable, the floatplane was now opening up a new frontier to the adventurous traveller. As transportation improved throughout the 1950's and 1960's, the handful of northern destinations expanded.

Sport hunting in the Mackenzie Mountains and the high arctic, sport fishing on Great Slave Lake, Great Bear Lake and in the Keewatin, and wildlife viewing at Bathurst Inlet were the early beginnings of today's industry.

Prior to the 1980's, the industry provided few benefits to Northerners and was not understood in the smaller communities. Many Northerners viewed tourism as an industry dominated by Southerners, and based primarily on hunting and fishing activities. Most activity was concentrated in the Western Arctic. Accommodation facilities outside of the regional centres were very limited, as were the number of vacation offerings.

There were no plans or policies to guide private or public sector investment, and the zone associations did not exist. Outfitters, lodge operators, other interested business people and government personnel began meeting to grapple with these and other issues facing this new industry.

In the early 1980's, a formal tourism policy was prepared. Referred to as "Community Based Tourism", the document emphasized developing an industry which would be substantially owned and operated by Northerners, reflect community aspirations, and one which would be well distributed across the Northwest Territories.

Under the "Community Based Tourism" approach, government funding was directed at improving the number and quality of accommodation services in our communities. Travel industry associations began to receive annual core and program funding, and regional tourism strategies were prepared. These set out the development guidelines for virtually every part of the Northwest Territories. Subsequently, a broader range of travel opportunities were introduced to the marketplace and the first comprehensive marketing strategy was drafted and implemented.

During the 1980's, with the new "Community Based Tourism" approach to development, and our northern showpiece at Expo '86, the tourism industry has come of age. The expansion of the lodge, outfitting and accommodation sector over the last decade, particularly with the dramatic increase in northern ownership, demonstrates the success of the initiatives and approaches that were set out.

Today, most communities are prepared to welcome tourists, and have the basic infrastructure to do so. Actions are now required to assist Northerners to better realize their economic expectations from the tourism industry through well-paying, rewarding employment.

WHAT IS TOURISM IN THE NORTHWEST TERRITORIES?

Tourism now consists of a wide range of service industries in our northern communities. Hotels and restaurants, airlines and air charter companies, tour operators, travel agents, and even communities themselves are among the wide range of partners contributing to a growing industry.

Like most industries, tourism is a matter of providing and selling a product. Northwest Territories tourism products include all the attractions, tours, food, accommodations, and activities which tourists spend their money.

Today, we draw a distinction between tourism and travel. The tourism and travel industry refers to all purpose travel in the Northwest Territories. The tourism industry, however, is that portion of the tourism and travel industry dominated by non resident pleasure visitors to the Northwest Territories.

THE TOURISM MARKETPLACE

If we look at travel within the Northwest Territories, it is evident that people travel for either business, or pleasure. Business travel represents approximately half of all trips taken in the North. While business travellers spend less than tourists, they help to maintain food, transportation, and accommodation services during the slower tourism seasons.

Northwest Territories residents travel within the territories more than non-residents. Although residents make up 60% of the trips taken in the Northwest Territories each year, they only account for about 40% of total spending. Generally a territorial resident will spend on average one half of what a non-resident will spend on territorial travel.

An increasingly wide range of activities attract tourists to the different regions in the Northwest Territories. The majority of tourists to the territories come from Canada and the United States. A small percentage arrive from Europe. And, last year, for the first time we began to offer "northern lights" vacations for Pacific Rim visitors. Although most of the activities are directed at the summer season, there are spring and fall offerings that now attract significant numbers of visitors. All activities can be classed as either outdoor/adventure or general touring.

Sports fishing and big game hunting; camping, hiking and canoeing; adventure experiences such as rafting, kayaking and dog sledding; naturalist expeditions and photo safaris; and travel experiences highlighting native culture, traditions and foods are typical examples of outdoor/adventure travel opportunities. General touring most often takes the form of a sightseeing trip along one of our major highways - the Mackenzie, Liard or Dempster; or, arriving in the Northwest Territories on an all inclusive packaged tour to locations such as the Baffin and Keewatin.

PARTNERSHIPS

The Northwest Territories tourism industry has recently begun to enjoy the benefits of numerous partnerships. Businesses in the north and south, and government agencies at the municipal, territorial, provincial and federal levels are now working together. More than any other sector of our economy, tourism depends on co-operation.

The benefits of these partnerships are passed on to the visitor. Many travellers today prefer to purchase complete vacations where provisions for food, transportation, accommodation, and visits to attractions are pre-arranged. It takes a mix of businesses and public agencies to fund, operate and regulate the services and attractions so important in satisfying our visitors. The range of agencies and their involvement can be considerable.

Consider that communities and their municipal governments make land available for publicly funded services and attractions, provide visitor services, and on occasion co-operate with business in marketing efforts. Often the visitor first becomes aware of vacation opportunities through government and business co-operative promotions. Enquiries are answered with government and private sector support. And the good service a visitor receives will depend on the training of service staff either on-the-job or in public institutions.

The mutual trust and commitment of all the partners determines the success of the relationship. One particularly bad experience a visitor may have with any one operator can tarnish the strong reputation the Northwest Territories is building as a desirable vacation destination. A broader range of quality partnerships, particularly between northern businesses, communities and government agencies, will be a means of improving the efficient growth of the industry.

A. Northwest Territories Travel Associations

The Tourism Industry Association of the Northwest Territories was founded some 25 years ago. It was only over the last eight years, however, that the broad expanse of the Northwest Territories was divided into tourism zones, and six regional associations established.

The travel industry associations are good examples of partnerships. While Northwest Territories travel businesses may find it difficult at this time to provide all the funds for the ongoing support of the associations, they do provide significant volunteer services. The Government of the Northwest Territories on the other hand, has provided significant core and program funding as part of its strategy to support the growth of the sector right across the Northwest Territories.

The associations can play a key role in transferring information to members, representing business concerns, and advocating actions and changes to government programs. They can provide real benefits to members by strengthening business and government relationships, and delivering some programs to members.

The purpose and objectives of the associations has and will continue to evolve, along a path established by their memberships. The Government of the Northwest Territories will continue to support and encourage this evolution, so that Northwest Territories travel businesses will have a forum for collective action and a vehicle for playing a leadership role in the future direction of the industry.

B. Partnership With Industry, Science and Technology Canada

Industry, Science and Technology Canada has played a key role in supporting the development of our tourism industry. In excess of more than $11 million of federal funds has been invested in the Northwest Territories' travel sector by Industry, Science and Technology Canada over the last seven years through inter-governmental agreements. The money has been devoted to preparing

comprehensive tourism development strategies, assisting entrepreneurs in constructing facilities and purchasing equipment, and underwriting the annual marketing initiatives of the travel associations.

But the support of Industry, Science and Technology Canada is more than financial. Industry, Science and Technology Canada, with the help of the Government of the Northwest Territories, has arranged numerous meetings with southern wholesalers and the travel media, assisted in organizing receptions with the travel trade, and supplied useful "intelligence" concerning the United States and overseas markets to Northwest Territories operators. Industry, Science and Technology's marketing initiatives establish Canada as a desirable vacation destination in our key markets such as the United States. This activity increases the effectiveness of our Northwest Territories campaigns in those U.S. markets.

Industry, Science and Technology Canada is currently redefining its role, priorities, and specific objectives for each region of the country. It is anticipated that a paper setting out a mandate for Industry, Science and Technology Canada in the Northwest Territories for the next five years will be available in 1990.

TOURISM AND OUR NORTHERN ECONOMY

The travel industry is one of the faster growing components of the service sector in the Northwest Territories. The attractions and services we offer to travellers result in direct rewards for individual Northerners working in the industry, as well as to the Northwest Territories economy.

The industry also provides an excellent environment for the demonstration of traditional cultural activities, and for increased sales of arts and crafts and country foods.

THE INCREASING VALUE

How fast is the tourism industry growing? Table 1 provides an indication of the travel and tourism growth between 1979 and 1988.

NORTHERN OWNERSHIP

Northerners are taking an active interest in the growing tourism and travel industry. A glance at the number of tourism businesses developed over the past 10 years, in Table 2, shows increases in all regions.

Increased northern ownership of the tourism industry helps keep profits in the north. It also gives Northerners much more control over the future direction of this developing industry.

DISTRIBUTION OF BENEFITS

In the 1970's, and early 80's, all of the tourism activity was concentrated in the western arctic. Although the west still receives a major share of the visitors, there is substantial activity in the other regions.

And much of the growth in the number of new travel businesses has been in our smaller communities. This is illustrated in Table 4.

GOVERNMENT SPENDING

The Federal and Territorial Governments receive almost 30% of tourism industry revenues. This amounted to some $9 million in taxes during 1988.

But both levels of government contributed a significant amount to the industry. In 1988 the Government of the Northwest Territories and Federal Government invested well in excess of $11 million.

This money was distributed through the federal - territorial Economic Development Agreement (EDA), various federal programs, and a range of Government of the Northwest Territories departmental initiatives. The money was spent on public and private capital projects, marketing and product development, industry organization, and human resource development. Table 5 summarizes selected government investments in the industry for the 1988 tourism season.

GOVERNMENT PROGRAMS AND THE TOURISM INDUSTRY

The Government of the Northwest Territories directly participates in the tourism industry by planning and developing public facilities, such as territorial parks and visitor centres. These public facilities improve the destination appeal of

Table 1
Summer Travel and Expenditures in the NWT

	1979	1988
Trips		
Pleasure Travel	22,500	33,000
All Purpose Travel	36,000	60,000
Expenditures ($000)		
Pleasure Travel	11,250	31,350
All Purpose Travel	18,000	57,000

Table 2
Number of Travel Businesses

	1979	1988
Tourism Zone		
Big River (South Slave - Deh Cho)	45	4
Northern Frontier (North Slave)	51	90
Western Arctic (Sahtu & Mackenzie)	40	59
Arctic Coast (Kitikmeot)	10	23
Keewatin	21	55
Baffin	27	81
Total	194	372
Native Ownership	34 (18%)	130 (35%)
Non-Native Ownership	81 (42%)	148 (40%)
Non-Resident Ownership	78 (40%)	94 (25%)

Table 3
Summer Pleasure Visitors to the Northwest Territories

	1979	1988
Zone		
Big River	6,320	8,250
Northern Frontier	8,300	11,350
Western Arctic	6,080	8,250
Arctic Coast	200	690
Keewatin	320	1,720
Baffin	1,280	2,740
All N.W.T.	22,500	33,000

Table 4
Distribution of Travel Businesses Between Larger Communities and the Remainder of the Northwest Territories

	1979		1988	
Ownership	Large Comm.	All of NWT	Large Comm.	All of NWT
Native Resident	4	34	21	130
Non-Native Resident	34	81	78	148
Non-Resident	22	78	19	94
Total	60	194	118	372

Note: The larger communities in terms of this table, are Hay River, Yellowknife, Inuvik, Rankin Inlet and Iqaluit.

Table 5
Selected Government Expenditures in 1988/89 in Support of Northwest Territories Travel Industry ($million)

Parks and Visitor Facilities (design, construction & operations)	$ 3.2
Contributions to Travel Industry Associations	0.7
Contributions to Travel Businesses	0.3
Marketing Expenditures (advertising, consumer servicing, research, & travel trade)	2.8
Planning, Licensing & Product Development Costs	0.7
Assistance To Business Through Regional Staff Department of Economic Development &	1.3
Sub-total (Dept. of E.D.&T., Tourism & Parks Div.)	9.0
Federal/Territorial EDA – Tourism Sub-Agreement	2.0
CEIC Support for Training (approx)	0.2
Total	$11.2

Note: Several categories of expenditures are omitted including Industry, Science and Technology (Tourism Canada) staff and marketing expenditures, expenditures under the federal government's Native Economic Development Program, and the Department of Education/Arctic College.

the Northwest Territories, thereby increasing the potential tourism market and opening up new business opportunities for the private sector.

Government also plays a key role in facilitating the development of new tourism products, and opening new markets. It analyzes industry trends, provides intelligence on new markets, assists in preparing regional tourism strategies and evaluates the success of various tourism ventures. Regional and territorial travel statistics are collected to improve the information base for industry and business planners. The Government of the Northwest Territories has also located Regional Tourism Officers to assist new entrepreneurs and operators.

The range of services does not end here. Interested southern and international travel wholesalers are often identified by government agencies, and their representatives are matched with Northwest Territories operators who need help to access new markets. The government and various tourism industry associations also cooperate in planning and delivering promotion campaigns.

OPPORTUNITIES FOR TOURISM AND TRAVEL GROWTH

While there is ample reason to be pleased with the performance of the tourism industry in the last decade, the Northwest Territories has just scratched the surface of our market potential.

The Northwest Territories has enviable resources in its unspoiled wilderness and cultural diversity. Realizing our potential depends on making our assets known and accessible.

THE UNTAPPED MARKETPLACE

Industry, Science and Technology Canada research indicates that the Northwest Territories was attracting no more than 20% of its potential North American market in 1986. Little has changed since that time. Table 6 identifies the trips taken in various pleasure travel categories and illustrates how little of our potential is being realized in all of our product offerings.

The Northwest Territories has the potential to lure many more Americans north for both adventure/outdoors trips and general touring travel. General touring along the Dempster Highway, in conjunction with travel within the Prairie Provinces and Ontario, holds promise for the Western Arctic, while the U.S. packaged adventure tour market is promising for Keewatin and Baffin destinations.

In addition to the North American market, recent experience with European and Japanese tourists shows potential. Cruise boats are also beginning to be attracted to the north, particularly in the eastern Arctic-Hudson Bay regions. There is also room for growth in the outdoor adventure and hunting markets in the spring and fall.

OUR NATURAL, HISTORICAL, AND CULTURAL RESOURCE POTENTIAL

The diversity and awesome beauty of Northwest Territories landscapes and our natural resources are incredibly rich and appealing. They provide a solid foundation for a thriving tourism industry. Equally appealing and diverse is the Northwest Territories' historical and cultural heritage. It can make the territories an alluring destination in the 1990's if developed and promoted sensitively.

The Canadian Parks Service has expressed interest in a number of natural and historic parks and sites across the north. The establishment of the Canadian Heritage Rivers program, and the recent nomination of the Kazan and Thelon Rivers as Heritage Rivers has brought these and other northern waterways to public attention.

The Department of Economic Development and Tourism has identified a number of possible territorial historic and other parks in the Northwest Territories. Current initiatives include: an historic park near Rae-Edzo, a major park on the Ram Plateau, and an historic park near Rankin Inlet, and a park featuring the Soper River Valley on Baffin Island.

Table 6
Estimated Pleasure Travel Trip Potential For Pleasure Travel Products

	Existing Pleasure Travel Trips Captured	Estimated North American Market Potential			Current NWT Penetration Rate (%)
		Canada	U.S.	Total	
Outdoor/Adventure Travel					
Fishing/Hunting Adventure	5,745	5,620	22,480	28,000	20.4
Products[1]	6,195	14,600	32,000	46,600	13.3
Touring					
General Touring	14,372	32,636	46,000	78,636	18.3
Total	26,312	52,856	100,480	153,236	17.2

(1) Non-consumptive products such as rafting, canoeing, hiking, etc.

CHANGING SOCIAL AND ECONOMIC CONDITIONS

A growing tourism industry must be dynamic. In order to realize the potential for increasing its market share, it must be able to identify and adapt to changing social and economic trends.

Recent public opinion polls suggest travel is a high priority among better educated consumers. This trend offers opportunities for the north, especially when combined with the increase in discretionary incomes, expanding vacation time, increasing interest in outdoor adventure and "educational" type holidays, and the decreasing costs of air travel.

SUCCESSFUL OUTFITTER OFFERS ARRAY OF SERVICES

Outfitter combines knowledge of land and formal training to provide service and expand tourism potential in the Baffin region.

Joavee Alivaktuk has had an American client's friends come to Pangnirtung just to "taste my bannock". Mr. Alivaktuk is an outfitter who says word of mouth is his best advertisement. The enthusiastic recommendations of clients have turned other southerners, sceptical about the appeal of the treeless High Arctic, into northern adventurers.

Mr. Alivaktuk offers clients a diverse array of services in addition to bannock. They include guided sport fishing trips, transportation for hikers to Auyuittuq National Park, interpretive tours of the Scottish and American whaling stations at Kekerton Historical Park, sightseeing trips, and wildlife viewing and photography. He caters to naturalists and adventurers.

"I was visiting down south about seven years ago. I needed help there to find my way around. I needed a guide. I thought that tourists in Pangnirtung need a guide too when they come here," remembers Mr. Alivaktuk about his start in the outfitting business.

He took his first guide training course in 1984. Since then he has taken further training and now teaches Level I guiding through Arctic College during his off-season. He says he continues to learn new things from his students.

EXPANDING SERVICES AND SEASON

Mr. Alivaktuk employs two people during the summer season and expects to perhaps triple that number next year since he is now in the process of purchasing a sport fishing camp. He takes as many as 12 tourists at a time in his 26-foot boat.

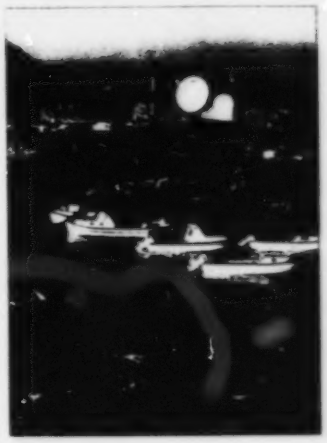
"I was born here. I know the Pangnirtung area. That's why I am successful. I couldn't be a guide in Yellowknife because I don't know that place."

Being successful required more than knowledge. Mr. Alivaktuk says starting a business requires some of your own

THE NATURAL MIX

Making the most of northern resources and working closer with the arts and crafts and renewable resources industries will allow tourist operators to develop a fuller and more satisfying experience for their clients.

Country foods and arts and crafts souvenirs provide many opportunities to give tourists and travellers a genuine taste of the north, to enjoy while they are here, and long after they return home.



money, even if you do get government help, as he has through loans and a grant from the Economic Development Agreement.

"The hardest part is saving money yourself in order to be eligible for funding. I got EDA money for a boat and motor. If you want to start a business you have to think of the safety of the people so you really need good equipment," he says. Mr. Alivaktuk worked at the Bay and on seasonal construction jobs before starting his own business.

A difficulty for himself and others involved in the Pangnirtung tourism industry is the short season. He hopes to extend the tourist season beyond July and August by offering guided snowmobile trips and tours during the spring.

WORKING TO REALIZE THE TOURISM INDUSTRY POTENTIAL

Mr. Alivaktuk not only runs his own business and teaches at Arctic College, but is President of the Baffin Tourism Association and involved in the Pangnirtung tourism committee. One of his concerns about the industry is the high cost of doing business in the north.

"One problem in Pangnirtung is that the prices are high here. Tourists really notice that. A loaf of bread is $3.25."

He says he's very concerned about costs rising even higher for himself and his clients if the proposed Federal Goods and Services Tax is implemented.

Nevertheless, Mr. Alivaktuk expects his outfitting business to continue to provide benefits for his family, employees, and the hotel and other businesses supported by his clients.

He believes tourism in the Pangnirtung area can only increase as more and more people become aware of the beauty and attractions of the area. Pangnirtung is aware that it can only handle a limited number of tourists at any one time because of its size and resources. Mr. Alivaktuk is working to expand the tourist potential until that limit is realized.

CONSTRAINTS ON TOURISM AND TRAVEL GROWTH

The historical steady growth of the tourism industry in the Northwest Territories might lead Northerners to believe they are on the verge of a major breakthrough. However, the Northwest Territories faces a highly competitive market and suffers from a low-profile compared to other international travel destinations.

OUR LOW PROFILE

Although people are generally aware of the spectacular lure of the Northwest Territories, even other Canadians confuse us with other northern locations, the Yukon and Alaska.

The simple fact is, the Northwest Territories has yet to develop a solid and distinct reputation in the minds of consumers in our key market areas, or in the minds of the travel trade. Advertising our clean air and water, mountains, cultural diversity and northern hospitality isn't much benefit if tourists end up booking a trip to a competing northern destination.

PROVIDING ACCESSIBLE VACATIONS

Combined with our low profile in the marketplace, is the shortage of attractive, accessible, competitively-priced vacations available to prospective tourists. Making arrangements for travel, accommodation and activities can be difficult, particularly for many of the remote areas of the territories.

Packaged tours are a welcome convenience for the traveller, but there isn't enough packaging of essential touring services - accommodation, travel, and touring activities - to provide a balance and variety of high quality and high value travel experiences.

Few communities can deliver the range of tourism activities and services which tourists have come to expect. Even if we convince tour operators to package more tours, we require more quality accommodation, dining services and visitor activities to make the packages interesting and competitive in the international marketplace.

Without adequate services and attractions to offer, tour operators will turn to other locations for products to sell.

SHORTAGE OF PARKS AND VISITOR FACILITIES

The territorial parks system is one of Canada's smallest. And, our parks lack quality services and facilities. For example, showers are unavailable in most parks, a major drawback for the tourist who has just travelled hundreds of miles on a gravel road.

Parks and appropriate information programs provide the perfect environment to experience our natural, historical and cultural resources. Across Canada, parks are often destinations in themselves, or at least contribute to the success of overall vacation travel.

Visitor centres can provide tourists with clear information about activities, attractions, local operators and events. This information, when presented in an exciting way, can encourage visitors to extend their trip, spend more on local goods and services, and better enjoy their visit.

IMPORT RESTRICTIONS

A large group of adventure travellers are attracted to hunting and fishing opportunities in remote regions of the Northwest Territories. The import restrictions of the United States are hampering our ability to make the most of this attraction.

Under the American Marine Mammals Act, marine mammal products cannot be imported into the United States. This restriction discourages many sports hunters and the sales of bone and ivory arts and crafts products.

SHORTAGE OF TOURISM SKILLS

Although traditional on-the-land experiences are a source for the skills necessary to deliver adventure tourism, much training and direct experience is needed to provide the technical, personal service, and business competence required for our industry to effectively compete with other travel destinations.

At the present time, the Northwest Territories hospitality industry is not attracting adequate numbers of residents seeking long term employment. The perception that the industry is low paying, seasonal, and only requires low skills must change if adequate numbers of people are to choose careers in this industry.

UNDEVELOPED ADVENTURE PRODUCTS

The Northwest Territories has not developed the necessary sales tools and techniques to compete with other regions and countries for the tourist looking for the thrill of a lifetime. We need better connections with wholesalers, travel agents and tour operators to access the worldwide adventure travel market. And, within the north, booking and tourist information services are only just now being developed in the larger, urban centres, such as Yellowknife, Hay River, Iqaluit and Inuvik.

TRANSPORTATION

The quality of the existing highway system restricts growth of motorcoach and recreation vehicle tourist traffic.

While the lack of quality roads prevents us from receiving the largest majority of Canadian and U.S. visitors who would like to travel north, it also increases the cost of operations for our tourism businesses.

Similarly, lack of wharfage across the Northwest Territories hampers outfitting businesses. In many communities visitors must wait for high tide to board boats. They often must scramble over rocks and jump onto the bow of the waiting outfitter's boat.

The Department of Transportation is currently finalizing a Northwest Territories transportation strategy that will set out a plan for the development of our highways, airports and docks.

MEETING EXPECTATIONS

Surveys of visitors suggest that today's travellers are preoccupied with arts and crafts and want to sample local cuisine. Visitors often complain about the cost of services. Visitors must believe that they are receiving value for money.

If we don't measure up to the expectations of tourists, future opportunities are lost. Travellers do not return, and news of an unsatisfactory northern journey soon spreads to other potential tourists.

LACK OF INFORMATION BASE

Important information gaps concerning the nature and performance of the Northwest Territories travel industry still exist. Tourism planners and investors need factual and accurate information about trends to help make future decisions. The industry wants to reduce the risks associated with developing and investing in northern tourism. The information required for good planning, decision making, and evaluating programs is just not adequate.

INADEQUATE LEGISLATION

The existing Government of the Northwest Territories legislation, The Northwest Territories Travel and Tourism Act, is outdated and does not respond to the needs of the tourism and travel industry. Many operators are becoming frustrated with the confusion and time delays resulting from the outdated Act. As well, the Act does not address the needs of travellers for consumer protection, and quality assurance. The Act can erode the confidence of not only tourism operators, but also of travellers to the territories.

LENGTH OF THE SEASON

The majority of visitors arrive in the very short summer season. Continued over-reliance on products that feature the prime summer season will severely constrain the healthy growth of the tourism sector. To improve opportunities for investment and encourage our youth to acquire the technical skills needed to effectively participate in the industry, will require substantial lengthening of the operating season.

Some progress has been made - floe edge tours in the eastern Arctic, caribou sports hunts in the fall, high Arctic big game hunts in the early spring, and mid-winter "northern lights" tours - but much more can and must be done.

REALIZING OUR POTENTIAL

The recent successes of the tourism industry are raising expectations for future prosperity. The Government of the Northwest Territories wants to turn these expectations into action, and be a partner in a well planned vital tourism industry in the 1990's. It has developed a strategy based on extensive ongoing consultation with industry, over 20 years of experience in assisting the development of tourism in the North, and the comments and suggestions made by the public to the Special Committee on the Northern Economy.

The Government of the Northwest Territories tourism strategy has three major components.

1. To continue promoting a community based and regionally disbursed tourism industry which contributes to the achievement of the economic, cultural and environmental aspirations of Northwest Territories residents.
2. To improve the quality, delivery and sale of Northwest Territories tourism products.
3. To increase the variety and quality of Northwest Territories visitor facilities.

To achieve these, this entails developing more package tours, attractions, facilities and services, improving the overall quality of what we have to offer visitors, and then going out and selling Northwest Territories vacations to the world.

This is done to increase income and employment opportunities for Northwest Territories residents, especially those living in the small, traditional and medium sized communities.

The strategy also emphasizes increasing tourism profits by assisting existing Northwest Territories businesses in accessing new markets and improving international competitiveness.

PRINCIPLES FOR OVERCOMING TOURISM BARRIERS

The following principles will guide the tourism industry throughout the 1990's. They have been developed with an eye to building on the strengths which exist within the Northwest Territories while expanding our future opportunities.

A. Compatible Tourism Development

Tourism and travel industry development must be consistent and compatible with the skills and aspirations of host communities. Carefully planned and implemented tourism opportunities can be developed in a manner which respects northern cultures, expectations and lifestyles.

B. Sustainable Tourism Development

The development of tourism resources today should not limit prospects for their use by future generations. The use of valued northern natural and cultural resources must be compatible with sustainable development principles.

C. Broad Distribution of Tourism Benefits

It is important that the tourism potential of all regions and communities across the Northwest Territories be realized. To facilitate the equitable

distribution of benefits, priority for government assistance will be given to the small and medium sized communities.

D. Tourism and Parks Development and Aboriginal Land Claims

Tourism and parks development will recognize and respect the spirit and intent of all Northwest Territories aboriginal land claim settlements and agreements-in-principle. The rights entrenched in claims agreements, such as individual or community harvesting rights in territorial parks, and the right of first refusal in taking advantage of lodge and outfitting opportunities, will be reflected in all policies.

E. Community and Tourism Industry Involvement

Major tourism initiatives and new parks development will involve extensive community and industry participation. Tourism and parks development will be consistent with the plans and strategies of communities, and regional land use planning processes.

F. Building on Tourism Potential and Developing Public Infrastructure

The key to developing new tourism products and attractions is making the most of the Northwest Territories' rich natural and cultural resources. The development of public infrastructure such as parks, roadside pull-offs, trails and

AURORA BOREALIS OFFERS NEW TOURIST MARKET

Raven Tours finds that what Northerners take for granted, is enough to inspire Japanese tourists to spend a "sprint vacation" in Yellowknife.

A significant number of Japanese tourists are expected in Yellowknife this year. What's the attraction? The aurora borealis.

Bill Tait, the president of Raven Tours, admits he was skeptical at first about the potential of using the northern lights as away to lure travellers halfway around the world.

"It sure hit us by surprise. I've been promoting arctic tours for 20 years and I had never looked at the aurora borealis as an attraction."

But that's exactly why 180 Japanese tourists came to Yellowknife last spring. The idea for the aurora borealis tours came from Canadian Airlines, inspired by the success of similar tours in Alaska. Yellowknife was the ideal place in the Northwest Territories to bring the Japanese, because most are what Mr. Tait calls, "soft adventurers," interested in comfortable accommodation and well organized tours.

Raven Tours was the logical Yellowknife company to facilitate the package trips because it already offers a total range of inbound tours and has contacts with people who can supply services, such as the Explorer Hotel, where the tourists spent three nights and four days.

"The Japanese like to take sprint vacations. They want to go for a vacation where they can take in as much as possible as fast as they can."

While the aurora are the drawing card, Mr. Tait organizes a variety of other activities to give clients their money's worth. City tours, short dog team trips, flights to the barrenlands for caribou and musk-ox viewing, a day trip to Lac La Martre for a meal and tour of the community, or renting a snowmobile are among the optional attractions which can round out an aurora borealis tour.

visitor centres, will be scheduled according to the potential to stimulate additional visitor expenditures, market demands, environmental considerations, and community support.

The information conveyed to visitors in our parks, visitor centres, roadside and community displays will assist visitors to better understand and appreciate the Northwest Territories' natural and cultural heritage.

G. Tourism Development and the Private Sector

The private sector should take the lead role in developing a viable tourism industry, with government providing support in the form of financial incentives, public infrastructure, technical advice and other forms of assistance.

H. Parks Contribution to Tourism Development

National and territorial parks play an important role in the development of the tourism industry. Parks, particularly historic and the larger natural parks, are often destinations that draw tourists. The parks system should continue to be given high priority in the development of tourism in the 1990's.

I. Tourism Development and International Market Trends

The Government of the Northwest Territories recognizes the need to encourage and support the private sector in adapting to international market trends and accessing new emerging markets.

TURNING NORTHERN LIABILITIES INTO ASSETS

Alaska is the major competition for the tours. It has more facilities for visitors and lower prices. Mr. Tait works with booking agents in Japan to turn the remoteness of Yellowknife from a liability, into an asset. The Yellowknife tours are marketed as providing a more exotic location, the presence of aboriginal cultures, and generally clearer skies which increase the chances of seeing northern lights during a quick visit.

Getting to know the expectations of Japanese tourists was a large part of organizing last year's tours. Organized shopping trips may not appeal to everyone, but the Japanese clients expected them.

"They want to take advantage of the souvenirs available. They want us to facilitate their shopping. If you pushed that on North Americans it would seem too commercial and unacceptable. Some of them spent up to $6,000 to $7,000 each. It's really good for the arts and crafts industry."

Mr. Tait says the major objective last year was to make sure the first groups of travellers from Japan were happy. A successful partnership between the Department of Economic Development and Tourism, Canadian Airlines and Raven Tours ensured the success of the first aurora borealis tours.

POTENTIAL FOR ATTRACTING THE MORE ADVENTUROUS

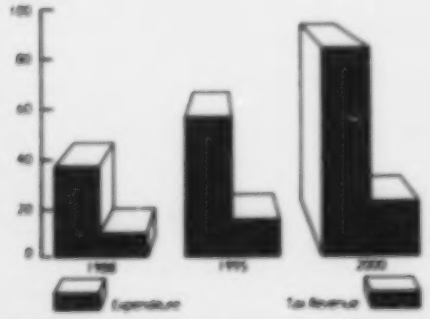
The aurora borealis has the potential, says Mr. Tait, to offer a spring board for other opportunities. He expects that once the northern lights market becomes better established, the more adventurous Japanese traveller will become interested in going further afield within the Northwest Territories. There are already some spinoffs for communities like Lac La Martre, and more can be expected in the future if all goes well.

Bookings have yet to be confirmed for this spring, but already Raven Tours is looking into expanding what it offers the Japanese market. Char fishing is among the ideas being considered.

"It has made me realize that there are probably lots of opportunities that we're not recognizing because we're not innovative enough," says Mr. Tait. "It's a worldwide market. To attract the business, our products have to be unique."

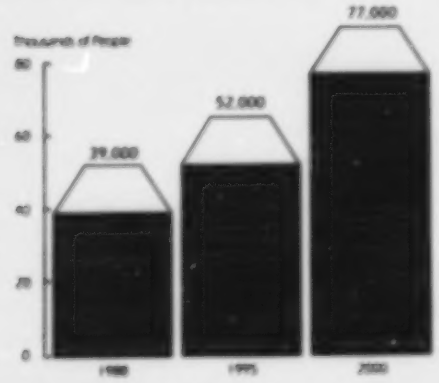
TOURISM INDUSTRY: AN ACTION PLAN

TARGET FOR THE 1990'S
EXPENDITURE AND TAX REVENUE
($M)



Change from 1988 - 2000 is 127%

TARGET FOR THE 1990'S
NON-RESIDENT PLEASURE TRIPS



Change from 1988 - 2000 is 97.4%

J. Government Support for Tourism

Public funding for private sector ventures will be consistent with established community and regional tourism strategies. Northern ownership, demonstrated need and employment will be a prime criteria for funding eligibility. Financial assistance will also require sound market analysis, long term viability, and competent business planning.

K. Constructive Partnerships

The Government of the Northwest Territories will encourage Northwest Territories travel operators to enter into business relationships with southern wholesalers and retailers, and encourage Northwest Territories operators to work together in co-operative marketing and product development initiatives.

L. Travel Industry Associations

The Government of the Northwest Territories will continue to support the on-going operations of the associations, and participate in the process leading to a definition by the association members of the roles and responsibilities for the associations in the 90's.

The travel associations are key partners in the Northwest Territories tourism industry. They represent the industry and serve as a lead group in directing and contributing to the development of tourism.

TARGET FOR INCREASING TOURISM

The positive impacts of tourism are measured by the ability of the industry to create new wealth and employment opportunities for Northerners. The target for increasing tourism during the 1990's concentrates on ways to improve the industry's impact on the territorial economy.

The amount of non-resident pleasure travel (ie: tourism), can be directly influenced by government and industry actions, and can make a very significant contribution to our economy.

The target illustrated-in Figure 1, can be achieved if there is concerted action by governments and businesses to overcome the bottlenecks currently constraining the industry.

The target performance indicators for the industry are modest. By implementing the Action Plan as set out in the next section of this strategy, they can be achieved.

The following Action Plan assumes the continued co-operation and commitment of resources by the Government of the Northwest Territories, the travel associations, individual northern businesses, and the federal government (particularly Industry, Science and Technology Canada and Canadian Employment and Immigration Commission). It addresses major weaknesses which would otherwise restrict future growth. An investment today in the foundation of the travel industry will result in significant dividends tomorrow.

The success of the last decade will be a hard act to follow without the commitment of both industry and government to a solid action plan. This Action Plan will be the tool used by the Government of the Northwest Territories to assist the tourism industry to achieve the goals and targets for growth during the 1990's.

PRODUCT DEVELOPMENT

A major thrust for tourism development in the 1990's will be to increase the supply of high quality Northwest Territories tourism products, attractions and destinations in the international marketplace.

A. Publicly Funded Visitor Attractions and Services

The Government of the Northwest Territories has researched, identified and planned for the long term development of a wider range of visitor activities and services to attract visitors, meet their needs and expectations, and convey information to improve the quality of their visit. The results of this plan have been incorporated in the government's multi-year capital planning process.

Public facilities which will be considered include:

- visitor centres in key gateway communities such as Iqaluit, Fort Liard, and Inuvik;
- upgrading and expanding existing roadside pull-offs, basic comforts such as washroom facilities, interpretive signage and other visitor services along the highway system;
- improved community information and interpretive signs; and
- creation of new territorial parks in areas of natural, historical or cultural significance, as well as along major trail and river corridors.

Major steps will also be taken to address the quality of services in publicly funded facilities. The Department of Economic Development and Tourism will take steps to elevate the operations and maintenance of parks and other public infrastructure to a standard consistent with visitor expectations for superior services in more remote locations.

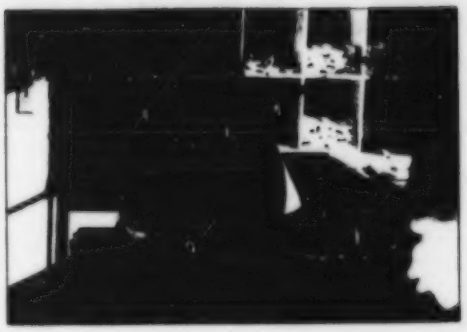
B. Upgrading the Tourism Labour Force

The Government of the Northwest Territories will place increased emphasis on human resource development within the tourism industry. With the active co-operation of Arctic College, Canadian Employment and Immigration Commission, and the Tourism Industry Association of the Northwest Territories, training opportunities practical to the industry demands of the 1990's will be planned, developed and delivered. Coordination of these training and skill development programs will be a focus of the Northwest Territories Employment Development Strategy.

Programs will also be developed in co-operation with other agencies and the travel associations to encourage young people to choose a career in tourism. With the assistance of employers, the hospitality sector will be portrayed as a viable full-time, long-term and respected career.

C. Legislation and Policy for the 1990's

The Travel and Tourism Act - Substantial changes are proposed to this legislation in the public discussion paper that is now being circulated. The results of the public consultation process with the tourism industry and other interested groups will be considered before amendments are proposed to the Act.



Proposed changes include: the creation of an industry assurance fund designed to protect customer deposits; a guide certification system; and revisions to the formula and methods used for licensing outfitters. These changes will provide increased resident employment and business opportunities and contribute to the development of a first class internationally competitive tourism product.

Territorial Parks Policy - The Government of the Northwest Territories is currently planning to develop and implement a policy to govern the establishment and operations of territorial parks and visitor centres. The policy will:

- recognize the important links between national and territorial parks and their role in tourism development;
- provide a framework for establishing and operating territorial parks and visitor centres as attractive tourism destinations, featuring examples of the Northwest Territories' outstanding natural and cultural heritage; and
- provide direction on the relationship between parks and land claims settlements, aboriginal harvesting rights, community consultation, the parks planning process, appropriate park land and resource uses, and the role of other federal and territorial agencies in assisting in the development of such parks.

The draft policy, now being circulated, will guide government spending on territorial parks and visitor centres across the north, and the results of the current public consultation process will be considered before it is finalized.

D. Increase the Number and Variety of Northwest Territories Vacation Offerings:

The Government of the Northwest Territories, following public consultation will finalize and implement a specific strategy to guide its effort in facilitating the development of new competitive tourism products. The strategy will:

- contain initiatives to meet the demands of our potential market, which are consistent with existing regional tourism plans and community aspirations;
- encourage the development of multi-community package tour vacations to the smaller, more remote community centres; and
- support new initiatives to attract tourists during winter and other off-seasons.

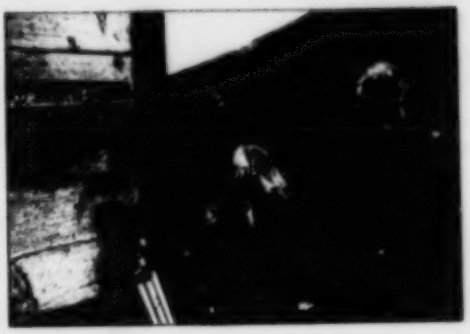
E. Tourism, Country Foods and Arts and Crafts

Marketing and product development plans will promote the integration of arts and crafts and country foods with Northwest Territories vacation opportunities. Our arts and crafts products and unique food and dining experiences reflect the cultures of Northerners. They also aid the Northwest Territories in establishing a distinct identity so our vacation experiences can be easily distinguished from other international adventure tourism offerings.

Signage and display planned for visitor centres, communities and highway corridors will reflect the goals of increasing visitor awareness, appreciation and purchases of both arts and crafts and country foods.

MARKETING AND SALES

The Government of the Northwest Territories will focus its efforts on facilitating increased sales of vacation products in select international and domestic markets. Programs will increasingly reflect shoulder and winter season opportunities, and the goal of better distributing visitors across the Northwest Territories and encouraging use of facilities and services in our smaller communities.



A. Expanding Awareness of Northwest Territories Vacation Offerings

A top priority is to develop and implement a new multi-year Northwest Territories tourism and travel industry marketing strategy. The new three year strategy will build on the existing strategy scheduled to end in 1990.

A major component of the new strategy will be increased partnerships with neighbouring provinces and the Yukon, Industry, Science and Technology Canada, the travel associations and interested private operators. Northwest Territories travel businesses must continue to increase their expenditures on marketing activities.

B. Northwest Territories Tourism Marketing Council

A new Northwest Territories Tourism Marketing Council has been established to assist the Government of the Northwest Territories in developing and implementing a new multi-year marketing strategy. The Council has ten members representing various components of the tourism industry. The Council will provide the Minister with recommendations on the improvement and effectiveness of publicly funded tourism marketing programs and services. It is anticipated that the integration of marketing efforts by TravelArctic, Tourism Canada, zone travel associations and individual operators will be a focus for this group.

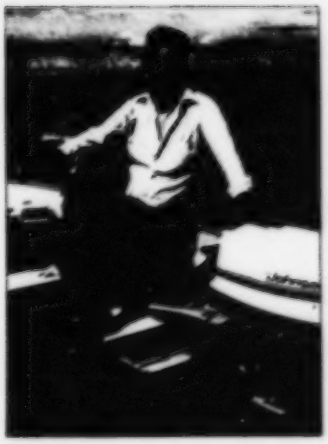
C. Converting Consumer Inquiries into Sales

Many more people consider the Northwest Territories as a vacation destination, and make inquiries, than actually travel to the territories. The effectiveness of our marketing dollars would increase substantially if we could overcome the difficulties associated with converting these leads into actual sales. To address the problem, the Government of the Northwest Territories will:

- decrease the time required to respond to client inquiries on the TravelArctic "Hotline" to a maximum of seven days;
- provide qualified Northwest Territories tourist operators with bimonthly listings of inquiries including the names and addresses of potential clients; and
- facilitate increased industry use of TravelArctic market research material.

D. Making it Easier to Purchase Northwest Territories Products

An increase in the number of tourists in the Northwest Territories is dependent on making it easier for interested consumers to book a northern holiday, from anywhere in the world. Potential tourists won't make their northern vacation dreams a reality unless their travel agent or tour company has the necessary information, contacts and interest to sell our products.



The Government of the Northwest Territories will improve the distribution network with industry wholesalers and retailers in major Canadian, U.S., European and Pacific Rim Markets. It will concentrate on improving the information available to the distribution network, and continue to assist our operators in linking up with reputable members of the travel trade.

Information and travel counselling services will also be improved and expanded for visitors that have arrived in the Northwest Territories. In-community booking services should be available in all major gateway communities. Visitor centres and other information programs will feature opportunities for purchasing local services and local attractions.

Improved visitor information services, when combined with an increased number of visitor attractions, will result in tourists staying in the Northwest Territories longer, and spending more money while here!

A target of an increase of 15% in average trip expenditures within five years has been established. This would result in an increase in average trip spending from $950 to $1,090 per visit.

RESEARCH AND PROGRAM EVALUATION

Changing trends, such as the recent preoccupation with "educational" holidays, can affect vacation choices. The tourism industry in the Northwest Territories needs to have up-to-date information to adapt to changing markets, but also to assess the health of the industry itself at any given time.

The research and evaluation requirements are beyond the capacity of individual entrepreneurs, and the industry itself. Providing this kind of service is a key element of the support the Government of the Northwest Territories will offer to tourist operators.

Comprehensive Tourism Research and Industry Information Services

The Government of the Northwest Territories will develop and implement a long term research plan to address the ongoing information requirements of the tourism industry. A system of reporting the results to industry will be established so that better cooperative planning can take place. The following relevant tourism research information is required to meet the existing information shortages:

- monitoring and evaluating the growth of the industry;
- monitoring key visitor demographics, including spending patterns, origin, party size, places visited, purpose of visit;
- consumer satisfaction surveys to determine the strengths and weaknesses of both private and public (ie. parks) Northwest Territories travel products;
- monitoring of hotel/motel occupancy rates to evaluate the use of Northwest Territories accommodation;
- monitoring level of use of publicly funded facilities;
- user preference studies for visitor centres and parks, to ensure that capital improvements are clearly matched to visitor needs and demands;

- an industry supply survey to assess the structure and performance of the travel industry. This would include identifying and evaluating potential parks, historical sites, and other natural and cultural attractions;
- a comprehensive travel demand survey to assess the current tourism market served by the Northwest Territories; and
- monitoring the effectiveness of the Department's programs and initiatives in support of the tourism industry.

INDUSTRY ORGANIZATION

The Tourism Industry Association of the Northwest Territories has played a significant role in the growth and maturity of the tourism industry.

Strengthening the Travel Associations

The Government of the Northwest Territories recognizes that the travel industry associations may need to restructure themselves, to better provide leadership in the 90's. The Government of the Northwest Territories will provide funding for a review of the associations' activities and their possible future roles.

The Government of the Northwest Territories is committed to enhancing the capability of travel associations to contribute to the management and healthy growth of the industry, to effectively represent their members, and provide a forum for information exchange with all levels of governments, other sectors of the economy and other interest groups.

SUMMARY

The Northwest Territories has unspoiled and spectacular natural beauty, the appeal of diverse peoples, cultures and lifestyles and the lure of an exotic location. With these enviable characteristics, the tourism industry has grown significantly during the past decade.

It contributes jobs and income to Northerners, and is a significant contributor to the tax base of the territories. Tourism is an attractive industry within the Northwest Territories, and provides a livelihood for many Northerners. Northerners stand to reap increasing rewards if the tourism industry can continue to grow.

And, there seems to be great potential for future growth. In fact, it is projected that we can increase the number of non-resident pleasure travellers to the Northwest Territories to 52,000 by 1995. The Northwest Territories' non-resident pleasure travel industry can generate $56 million in sales by 1995. This should grow to $84 million in sales by the year 2000.

The Action Plan, when implemented, will assist the tourism industry in developing new products, attractions, and services. It will assist in identifying new markets and provide information about the needs and desires of potential tourists. And, it will support improvements in the number and quality of attractions and services which are made available to visitors.